

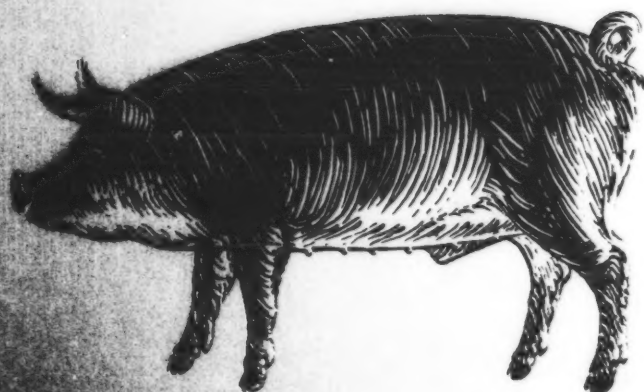


1965 **25th** 1990
anniversary

Manitoba Pork est.

**TWENTY-FIFTH
ANNUAL REPORT**

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Bill Vaags, Dugald	Chairman
Weldon Newton, Neepawa	Vice Chairman
Ken Foster, Arborg	Member-Executive Committee
Brian Cramer, Carman	
Gorden Ferriss, Bowsman	
Doug Head, Treherne	
Don McEwan, Altamont	
Ben Wipf, Headingly	

R.L. Sedgwick, P.Ag.	General Manager
R. Chabidon	Assistant Manager
A. Fulford	Accountant
P. Mohr	Sales Manager
W.A. Oakley	Research Economist
A.J. Brown	Secretary
R. McCulloch	St. Boniface Yard Superintendent
C. Aeichele	Brandon Yard Superintendent



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MEMBERS



ADMINISTRATION

CHAIRMAN'S LETTER



Dear Fellow Pork Producers:

This will be my final letter to you as Chairman of Manitoba Pork. As I look back I see great accomplishments, many which were deemed to be impossible. Looking ahead at the year 2000, I see the need for continuing the growth, development and expansion we now have in our 25 year history.

For most of us, 1989 was another year in a decade marked by challenge and change. On the heels of the '88 drought — in both moisture and price levels — '89 proved to be equally dry in some regions. However, much progress was made on behalf of producers,

despite these conditions, due to the continued persistence and patience of your representatives.

Pork producers faced challenges from far and wide in '89. Political, economic and production issues — local, national and international — left their imprint on our industry. Your Board of Directors, committees and staff worked hard to make sure the industry was working for the benefit of producers.

We faced many issues head on in 1989, including:

1. Representing pork producer concerns to the provincial government on their Livestock Development Program.
2. Communicating our position on issues to the U.S. National Pork Producers Council.
3. Closely monitoring U.S. efforts to control pseudorabies.
4. Negotiating settlements through dispute panels and trade actions.
5. Protecting consumer interests regarding drug residues.
6. Promoting Manitoba pork products globally via international trade missions.

Once again we experienced prices that were not healthy. Farm gate receipts totalled \$205 million in 1989. This represented an increase of \$7 million over the '88 total; a small but impressive gain considering the production and trade environments.

The combined effect of high production costs and modest prices, both reflecting drought conditions, was a decrease in producer revenues. Prices averaged \$129.33, down from '88's \$132.98. Despite this, Manitoba Pork put a record 1.93 million hogs through its facilities; representing a 5.9% increase in marketings over '88 and a figure we can be proud of.

Manitoba Pork membership dropped 8.8% from last year to a total of 2,841 registered, active producers.

Although over the last year our economic and production picture remained much the same, the issue of trade disputes moved into the forefront. I am very pleased to participate in the ongoing negotiations trying to settle trade issues for producer benefits.

I am confident in the process we have to resolve trade disputes. The three steps taken towards establishing fairer trading environments are:

1. General Agreement on Trade and Tariffs (GATT) — dealing with the question of whether U.S. adhered to its own trade laws (Automatic Pass Through);
2. U.S. Department of Commerce (DOC) Chapter 19 — panel evaluating whether Canadian subsidies are countervailable;
3. International Trade Commission (ITC) — injury panel investigating whether Canadian pork products cause injury to the U.S. market.

There is no doubt in my mind that we will make progress in trade issues; but we will have to continue to fight to hold our position.

On the national scene, the Tripartite Stabilization Program was under close scrutiny. 1989 came on the heels of an extremely dry year. The changes in the cost of grain production, combined with the strengthening Canadian dollar in world markets, triggered substantial Tripartite payouts. However, 1990 promises to be a much better year, greatly reducing the need for payments. We may see none at all. 1990 will prove, beyond a doubt, that Tripartite is a program truly reflecting market conditions affected by unforeseen circumstances, out of the producers' control.

One highlight of the year locally was the signing of the agreement between ourselves, Olympia Meats of Quebec and Springhill Farms. I am pleased to have been part of the negotiations that brought an outside party into our provincial boundary, enhancing our slaughter industry.

Manitoba Pork salutes all packing plants for their proven track record in dealing with increased demands on their staff and their facilities. With current market conditions prevailing, plant rationalization may be inevitable.

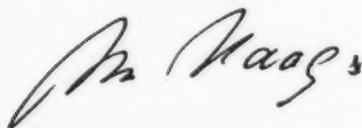
Manitoba Pork continues to back the importance of principal swine A-I programs and services.

I must extend my sincere appreciation to Mr. Sedgwick, management and staff and directors for standing firmly beside me during my ten years as chairman. I commend them for recognizing the importance of working for the benefit of producers, and always rising to that challenge.

A decade ago when I said provincial producers would deliver more than 2 million hogs per year, many said it couldn't and shouldn't happen. But ten years later, we have succeeded in almost achieving that 'impossible' goal. Our relative position in the North American market has remained stable, other than the effects of trade irritants, despite our growth in production.

The next ten years, in the face of constant global change and opportunity, must see the focus on expansion be set once again as the target for Manitoba producers. I look forward to serving you in my new capacity.

Sincerely,



Bill Vaags

1989
MANITOBA PORK
DIRECTORS
AND
DISTRICT
DELEGATES



DON McEWAN, ALTAMONT — DIRECTOR

District 1

Delegates

Dave Day, Deloraine — Secretary
Glen Wallcraft, La Riviere
Gordon McDonald, Manitou
Clifford McCallum, Boissevain
David E. Rolfe, Elgin
Don Graham, Altamont



DOUG HEAD, TREHERNE — DIRECTOR

District 2

Delegates

Harry Plett, Wawanesa — Secretary
Tom Baron, Carberry
Doug Wilson, Reston
Gerry Friesen, Wawanesa
Larry Fisher, Carberry
Ray Timmerman, Treherne



WELDON NEWTON, NEEPAWA — DIRECTOR

District 3

Delegates

Garry Tolton, Newdale — Secretary
Duncan Broadfoot, Gladstone
Andy Cardy, Minnedosa
Jim Farquhar, Birtle
James L. Young, Miniota



GORDEN FERRISS, BOWSMAN — DIRECTOR

District 4

Delegates

Ian Shaw, Swan River — Secretary
Terry Highmoor, Bowsman
Acey Brinkman, Grandview
George Geisel, Ochre River
Ron Bernardin, Laurier



BRIAN CRAMER, CARMAN — DIRECTOR

District 5

Delegates

Lloyd Stoesz, Altona — Secretary
Auke Bergsma, Carman
Charles Fossay, Starbuck
Henry Klassen, Altona
Herm Martens, Rosenort
James Peters, Winkler
Dave Waldner, Morris
Ralph Piche, Fannystelle



KEN FOSTER, ARBORG — DIRECTOR

District 6

Delegates

Les Jacobson, Arborg — Chairman
Bob Marcus, Stonewall
Hans Kjeur, Stonewall
Karl E. Lange, Moosehorn
Edwin Ryden, Eriksdale



BILL VAAGS, DUGALD — DIRECTOR

District 7

Delegates

Kai Winther, Dufresne — Secretary
Peter Dyck, Arnaud
Vern Kionke, Dugald
Ron Rempel, Ste. Anne
Frank Thiessen, Steinbach
Joe Van Schepdael, East Selkirk
Ron Plett, Landmark
Leonard Esau, Steinbach



BEN WIPF, MAXWELL COLONY — DIRECTOR

District 8

Delegates

Jake Hofer, Valley View Colony — Secretary
Johnathon Gross, Homewood Colony
Ben Hofer, Greenwald Colony
Josh Hofer Jr., Starlite Colony
Sam Hofer, Woodland Colony
Edwin Kleinsasser, Sunnyside Colony
Henry Maendel, Hidden Valley Colony
Mike Waldner, Upland Colony

MANAGER'S
REMARKS



I am pleased to present to you the Twenty-Fifth Annual Report for the year ending December 31, 1989. The year's financial highlights are presented for our membership and persons interested in the operation of Manitoba Pork.

This Report features financial, statistical and operations reports; and Board of Directors and Office personnel profiles. The Board emphasizes the importance of continuing to build on the close relationship between those persons responsible for policies and procedures and the people who form our membership.

The pork industry faced another very challenging year financially. We faced many tough situations

and made many tough decisions. Producer concerns were a constant priority. National issues were carefully and constantly monitored; and action taken where needed. International policies and changes were continually being monitored.

PRODUCTION AND PRICES: Again, 1989's prices remained low, following trends set at the end of '88. The year's average price, \$129.33/ckgs, was down \$3.65 from last year. The Board's average prices ranged from a high of \$154.92 in June to a low of \$106.24 in November. With the stabilization program in operation and hopes for an end to feed shortages, prices should show an upward trend in '90.

However, production continued to grow, with net hog production in 1989 at 1,908,851 head, an increase of 4.2 percent over 1988's total. This volume indicates a continuing growth of the industry, despite prices and market uncertainty.

Live hog exports to the US decreased to 56,658 (board & non-board) head during the year. This decrease was primarily a reaction to future countervail liability. Widening east/west price differences in the 2nd and 3rd quarters, resulted in Ontario packers purchasing approximately 68,000 Manitoba hogs during that period.

PACKING INDUSTRY: In 1989, the packing industry faced a difficult year from a financial perspective; while their labor front remained quiet due to the agreement in effect until 1991.

SPRINGHILL FARMS: Due to the industry difficulties, the Board invested much time monitoring the Springhill operation to make sure terms of the guarantee were being observed. The company's decision to look for a buyer or operator following the withdrawal of Fletchers management was deemed appropriate by the Board.

PRODUCT QUALITY IMPROVEMENT: Manitoba producers again demonstrated their leadership in producing top quality hogs, with the average index again increasing to 105, up .2% from 1988's 104.8.

PORK TRADE: Canadian Pork dressed exports totalled 237,434,000 kgs to December 30, 1989. Pork and hogs still rate second to wheat as Canada's top export commodities. Pork imports of 10,746,000 kgs to December 30, 1989 were down 8.8 percent from 1988. Exports to Japan increased 24% in 1989, a positive trade trend; while exports to the US were down 13.4%, a reflection of the countervail situation.

MARKET DEVELOPMENT: In February the Chairman, Vice-Chairman and Manager participated in a Pork and Poultry Trade Mission to Japan led by the Minister of Agriculture, the Hon. Glen Findlay. Trade links were strengthened with Japanese trading companies, retailers and our industry, as well as conducting negotiations with Minebea, the Company currently developing a breeding stock unit in Manitoba. The development of technology to ship pork fresh chilled, rather than frozen, was further explored. The Marketing Branch of Manitoba Agriculture also participated in Japan's Food Expo — the major food show held each year in Tokyo — by showing off our homegrown commodities.

NATIONAL ISSUES: Trade issues continued to dominate the national scene, with the defence of our industry from U.S. Countervail action taking high priority. A new thrust for market development in Europe, the Pacific Rim and Australia is being developed with a national and total industry involvement approach.

The U.S. Administrative Review of the countervail on live hogs for 1985-86 set a 2.2¢/lb C.V., down from the 4.4¢ deposit rate. The 86-88 period is currently under review and the results should be announced in early 1990. The NPPC succeeded in their petition for countervail on Canadian fresh and frozen pork imports. This resulted in a C.V. deposit rate of 3.6¢/lb effective September 13, 1989.

Challenges to this ruling have been set in motion by way of the Chapter 19 Bi-National Dispute Panel process and their rulings will be made in mid-1990. To maintain U.S. market access for Canadian pork, the CPC, through its member provincial Boards, undertook to cover exporters' C.V. liability over the 3.6¢ deposit rate, by way of a producer C.V. offset check-off. This action was to cover pork exports for the period of September 13, 1989 to March 31, 1990.

PORK PROMOTION: Pork advertising and consumer education continued to play an important role in Board business. The Board's Foods and Promotion Specialists, Ruth Dyker and Marlene McDonald, co-ordinated the delivery of important services to the retail sector, the food service industry, health professions and media, as well as directly to consumers.

We welcome Margery Taylor as the new manager of Canada Pork. The new CP mandate to operate with closer ties to the provincial members is important. Promotions and advertising of pork products continues to be a priority mandate, with Canada Pork serving to develop programs which will serve to enhance the pork image and increase market penetration. Canada Pork is currently funded by a 25 cent per hog assessment which is generated by the .2 percent special producer promotion levy.

MEMBER RELATIONS: The Board has substantially expanded the number of Committees established to effectively handle producer issues and concerns. For example, the Grains Committee petitioned the Canadian Countervail Tribunal for the removal of the corn countervail; lobbied for drought assistance for hog producers in drought-stricken areas, and joined the other Western Boards and grain users groups to establish the Western Diversification Alliance, a producer driven group whose purpose is to lobby for payment of the Crow offset benefits directly to producers. Inclusion of the hog sector in the Provincial Feed Grains Offset Program was, and continues to be, a major priority of Committee and Board.

The Vertical Integration Committee undertook a major survey of producers in 1989, with the findings to serve as a basis for industry structure planning for the future. The Weanling Stabilization Committee survey results and considerations,

led to a recommendation of no action towards a Weanling Stabilization Program, on account of little support. The A-I Committee saw a restructuring of the A-I program which allowed for more support for the two A-I units operating in the Province. The Packer/Board Liaison Committee is working closely with the packing industry to solve problems of mutual concern — ie: grading grid, hog weights, and delivery schedules.

The number of active hog production units decreased to 2841 in 1989, down from 3115 in '88. Members actively use the Board's 24 hour "Hog Call" to get up-to-date market information; the Board's newsletter has become the "Pork Press" and has incorporated changes which producers requested, such as the inclusion of the "Directors' Corner".

TOP 20 CONGRATULATIONS: The Board honored producers with its "Top 20" Competition. The overall winner and winner in the 200-1000 category was Peter W. Barkman of Ste. Anne with an average index of 109.3335; Ron Froese of Grunthal won the 1001-4000 category and 2nd place in the province with an average index of 109.1492; Starlite Colony of Starbuck took 3rd place overall and 4001 and up category, with an index of 108.9722. Winners will receive a commemorative trophy to be presented at the Annual Awards Banquet. The Board has opted to discontinue awarding trip prizes.

NAME CHANGE TO MANITOBA PORK: The decision to adopt the new business name "Manitoba Pork Est." has been very well received and the phase-in has gone smoothly. In a legal sense, use of either Manitoba Pork Est. or the Manitoba Hog Producers' Marketing Board is correct and appropriate.

BOARD FINANCES: The financial statements reflect Manitoba Pork's business affairs for the 12 month period ending December 31, 1989. Gross sales totalled \$204.7 million, up \$6.2 million from 1988. Board operating revenues of \$2.54 million were up slightly and, with operating expenditures at \$2.23 million, the result was an operating surplus of \$313,322 for the year. Members equity, represented by reserves and unallocated retained revenue, totalled \$5.518 million, an increase over '88 figures of \$420,000.

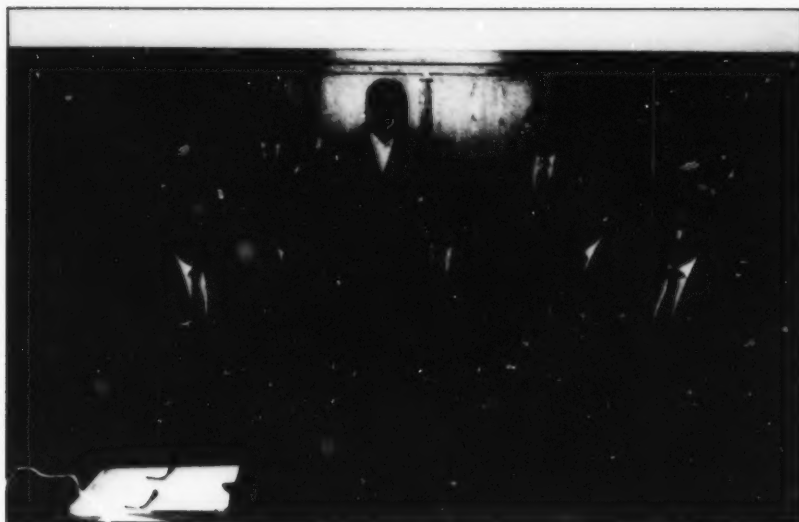
1989 was a challenging year; with many tough negotiations, some setbacks and few successes. The Board of Directors and Chairman, however, faced these new challenges with dedicated perseverance, provincially, nationally and internationally. Bill Vaags, Chairman, continued as President of the Canadian Pork Council and Chaired the Federal Agriculture Food and Beverage S.A.G.I.T. Committee. Bill's support and guidance in the operation of the Board continues to be a source of strength for which I am very grateful. My appreciation also goes out to all of the dedicated members of the Board and its Committees who channelled their energies toward helping solve the many problems the industry encountered in 1989.

I wish to especially thank the entire Board Staff for their untiring support and I congratulate René Chabidon on his appointment to Assistant Manager. I welcome Perry Mohr, Sales Manager and Bill Oakley, Research Economist, to our staff. Having a decisive, dedicated and diligent staff supporting me is a bonus I greatly appreciate.

On behalf of the Board of Directors, Administration and staff, please accept our appreciation for your continued effort.

R.L. Sedgwick

BOARD OF DIRECTORS

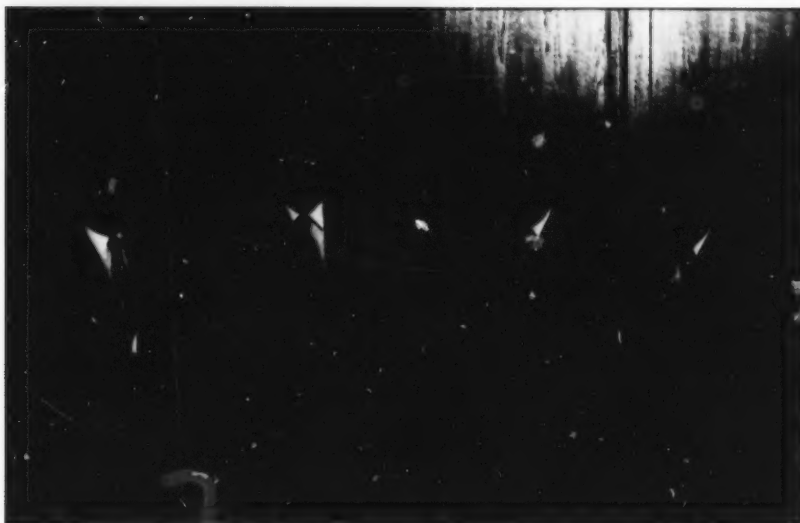


Don McEwan, Ben Wipf and Doug Head (standing), Ken Foster, Brian Cramer, Bill Vaags, Weldon Newton and Gordon Ferriss (seated)

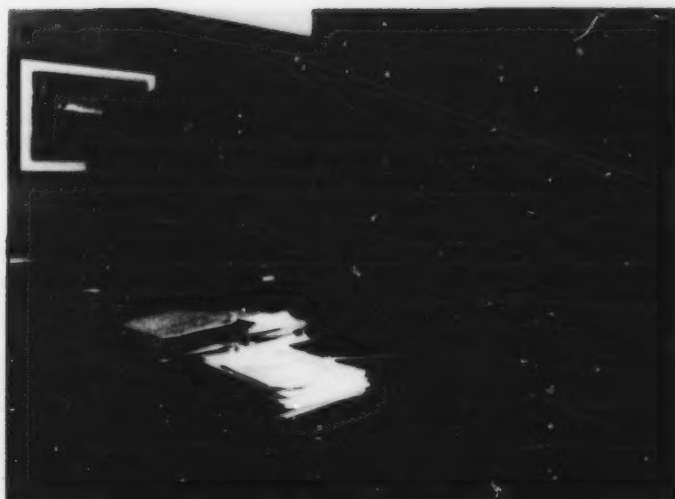


A PICTORIAL
GLIMPSE OF
THE BOARD'S
WINNIPEG &
BRANDON
OFFICES

EXECUTIVE COMMITTEE



(Left to right) Ken Foster (Executive Member), Weldon Newton (Vice-Chairman), Bill Vaags (Chairman), Larry Sedgwick (General Manager)





1 EXECUTIVE STAFF (Left to right)

René Chabidon, Assistant Manager
Larry Sedgwick, General Manager
Aden Fulford, Accountant

2 RECEPTION

Verda Andrew, Diane Jackson (part-time)

3 ADMINISTRATIVE ASSISTANTS (Left to right)

Sandra Lewkiw, Irene Gaudreau, Anne Brown

4 SALES DEPARTMENT (Left to right)

René Chabidon
Bill Oakley, Research Economist
Perry Mohr, Sales Manager
Mary-Anne Buchko, (Absent)

5 Bert Neufeld and the Pork Pro-Motor

6 BRANDON YARD STAFF (Left to right)

Chris Aeichele, Jacqueline Pierce and Gordon Turner.

7 PROMOTIONS DEPARTMENT (Left to right)

René Chabidon, Marlene McDonald, Ruth Dyker,
Betty Hutchings

8 SETTLEMENT DEPARTMENT (Left to right)

Mary Mahood, Cecile Lafreniere, Irene Gaudreau,
Audrey Szustygosto

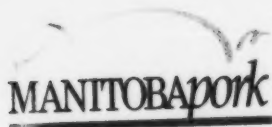
9 ACCOUNTING DEPARTMENT (Left to right)

Gwen Zimmer, Aden Fulford, Joyce Bruneau, Jess Lazo

10 YARD STAFF (Left to right)

Ken Forster, Glen Richardson, Clint McCulloch, Chris Wishart,
George Haywood, Gerry Gagnon, Mitch Gauthier, Rick
McCulloch (Yard Superintendent), George Willis, Gordon Wood





MANITOBA PORK DISTRICT BOUNDARIES MAP



• Indicates District zones

- 1 — Southern
- 2 — West-Central
- 3 — North-Central
- 4 — North-West
- 5 — Central Plains
- 6 — Interlake
- 7 — Red River East
- 8 — Not geographically defined (see note page 13)

MANITOBA PORK HOG DISTRICT PROFILE — 1989

MANITOBA PORK DISTRICTS	NUMBER OF ACTIVE PRODUCTION UNITS		TOTAL MARKETINGS	
	1989	1988	1989	1988
#1 — Southern	503	540	181,958	180,217
#2 — West-Central	306	351	90,856	86,957
#3 — North-Central	293	345	65,610	63,684
#4 — North-West	303	325	66,802	63,982
#5 — Central Plains	538	606	215,302	223,190
#6 — Interlake	212	244	93,643	96,614
#7 — Red River East	599	620	528,389	490,144
#8 — Hutterite Colonies*	87	84	634,311	580,214
TOTAL	2,841	3,115	1,876,871**	1,785,002**

* District 8 is not defined by boundaries but encompasses all Hutterite Colonies in the Province that are duly registered as hog producers.

** Includes only hogs sold by registered producers in each of the eight Manitoba Pork hog districts.

1989
MHPMB
HOG
DISTRICT
PROFILES

MANITOBA PORK MARKETINGS BY SALES RANGE — 1989

SALES RANGE																
1 - 100	235	4.2	180	6.8	168	7.7	197	8.6	213	3.2	90	3.0	188	1.1	—	—
101 - 200	58	4.8	31	4.7	44	9.9	30	6.6	69	4.7	25	3.7	43	1.2	—	—
201 - 500	92	16.8	51	18.4	40	19.5	34	17.3	104	16.2	35	12.2	67	4.4	—	—
501 - 1000	71	28.4	23	18.5	23	24.0	29	31.1	93	31.2	32	24.7	104	14.8	1	.1
1001 - 2000	36	28.7	15	21.5	15	28.8	10	19.0	49	29.8	22	33.1	130	34.2	1	.3
2001 - 5000	11	17.2	3	8.4	3	10.1	2	7.4	9	11.5	8	23.3	56	31.3	10	5.9
5001 - 10000	—	—	3	21.8	—	—	1	10.1	1	3.6	—	—	11	13	65	75.8
10001 & Over	—	—	—	—	—	—	—	—	—	—	—	—	—	10	17.9	—

Comments: The total number of production units for 1989 decreased by 274 or just over 12 percent of the 1988 total. Units producing 500 or more hogs increased for the third consecutive year, totalling 847 units or an increase of 2.5 percent. These units accounted for 84.7 percent of total production, down from 86.1 in 1988. A significant number of the units marketing from 1 to 100 head of swine are made up of weanling production units whose sales consist primarily of cull sows and/or boars.

TABLE 1

MANITOBA PRICE AND SALES SUMMARY — 1989

MONTH	AVERAGE PRICE (F O B WPG)				GROSS SALES HOGS, SOWS, BOARS
	100 INDEX HOGS		NO. 1 SOWS (D W)		
	METRIC	IMPERIAL	METRIC	IMPERIAL	
JANUARY	120.07	54.46	85.51	38.92	153,156
FEBRUARY	121.68	55.19	87.97	39.90	149,759
* MARCH	114.23	51.82	89.93	40.79	188,818
APRIL	111.04	50.37	84.45	38.31	150,932
MAY	121.09	54.92	88.46	40.12	141,430
* JUNE	135.02	61.24	96.42	43.73	183,524
JULY	140.58	63.76	94.68	42.95	146,608
AUGUST	143.94	65.29	94.43	42.83	138,395
* SEPTEMBER	134.13	60.84	96.63	43.83	198,874
OCTOBER	139.70	63.37	110.07	49.93	145,167
NOVEMBER	136.90	62.10	111.73	50.68	154,295
* DECEMBER	135.01	61.24	111.15	50.42	174,154
1989	129.33	58.66	95.95	43.52	1,925,112
1988	132.98	60.31	82.74	37.53	1,817,742
5 YR. AVG.	150.79	68.40	108.75	49.33	
10 YR. AVG.	151.11	68.54	113.54	51.50	

* Denotes 5 week month.

Comments: Board sales for 1989 increased by 107,370 head over 1988, while prices dropped to their lowest level since 1980. Sow prices were more fortunate, increasing by \$13.21 per 100 kg.

TABLE 2

MANITOBA PORK — MARKETINGS BY QUARTER — 1989

	JAN MAR 1st QUARTER	APR JUNE 2nd QUARTER	JULY SEPT 3rd QUARTER	OCT DEC 4th QUARTER	TOTAL 1989
HOGS	483,219	465,127	478,707	465,529	1,892,582
SOWS	6,584	5,882	5,746	5,505	23,717
BOARS	1,784	1,637	1,668	1,557	6,646
TOTAL (89)	491,587	472,646	486,121	472,591	1,922,945
(88)	455,028	499,327	459,252	464,135	1,817,742
% CHANGE (89/88)	+10.4%	+5.1%	+5.8%	+1.8%	+5.7%

Comments: Board sales reached an all-time high of 1.92 million head. This was up 5.9 percent from 1988, and contributes to the constant growth pattern which has almost doubled hog production in Manitoba since 1980.

TABLE 3

MANITOBA PRODUCTION SUMMARY — 1989

	BOARD SALES	NON BOARD EXPORTS	OUT OF PROVINCE IMPORTS	NET MANITOBA PRODUCTION
HOGS	1,892,582	12,264	39,230	1,865,616
SOWS	23,717	11,163		34,880
BOARS	6,646	1,709		8,355
TOTAL	1,922,945	25,136	39,230	1,908,851
WEANLINGS		150,503*		Change 89/88 + 4.2%

*U.S. only.

Comments: The adjustment of total marketings to reflect the import and export of live hogs results in the Manitoba net production figure of 1,908,851.

TABLE 4

INSPECTED HOG SLAUGHTER —
CANADA AND UNITED STATES* — 1989

PROVINCE OF ORIGIN	FEDERAL AND PROVINCIAL SLAUGHTER VOLUME		% CHANGE 89/88
	1989	1988	
BRITISH COLUMBIA	591,984	342,692	+ 72.7
ALBERTA	1,605,550	1,854,019	- 13.4
SASKATCHEWAN	1,006,057	962,280	+ 2.4
MANITOBA	1,898,187	1,797,476	+ 5.6
TOTAL WEST	5,101,778	4,976,467	+ 2.5
ONTARIO	4,147,889	4,630,274	- 10.4
QUEBEC	5,064,551	4,677,869	8.3
MARITIMES	584,743	590,996	- 1.1
TOTAL EAST	9,797,183	9,899,139	- 1.0
TOTAL CANADA	14,898,961	14,875,606	+ .2
TOTAL UNITED STATES		85,298,000	

*Source: Agriculture Canada

Comments: Total Canadian inspected hog slaughter was up .2 percent over the corresponding 1988 figure. A drop of 13.4 percent in Alberta was offset by an increase of 72.7 percent in British Columbia and contributed to the overall increase of 2.5 percent for the Western provinces.

TABLE 5

CANADIAN FRESH AND FROZEN PORK EXPORTS ('000 kgs) — 1989

EXPORTED TO	'000 KGS		% CHANGE 89/88
	1989	1988	
UNITED STATES	181,854	209,907	- 13.4
JAPAN	31,203	25,157	+ 24
OTHER COUNTRIES	24,377	13,947	+ 74.8
TOTAL	237,434	249,011	- 4.6

*Source: Agriculture Canada (Preliminary)

Comments: Countervailing action on dressed pork, initiated by the United States in 1989, contributed to the 13.4 percent drop registered for exports to the U.S. This was responsible for the overall loss in exports of 4.6 percent.

TABLE 6

FRESH AND FROZEN PORK IMPORTS — DRESSED MEATS — 1989

IMPORTED FROM	'000 KGS		% CHANGE 89/88
	1989	1988	
UNITED STATES	7,795	6,573	+ 18.6%
OTHER COUNTRIES	2,951	5,208	- 43.3%
TOTAL	10,746	11,781	- 8.8%

Comments: The 1989 decrease in imports of 8.8 percent is not as significant as the 28.6 percent drop of 1988 but does continue to reflect the continuing increase of U.S. imports at the expense of other countries such as the E.E.C.

TABLE 7

HOG CARCASS INDEXING REVIEW — 1989

INDEX(ES)	PERCENTAGES	
	MANITOBA	CANADA
114-112	8.3%	5.3%
111-109	16.4	12.7
108-106	30.3	29.6
105-103	15.9	17.7
102-100	14.9	17.7
99-97	6.2	8.1
96-94	2.9	3.9
93-91	1.3	1.8
90-83	.5	2.0
82	1.2	.8
81	1.0	.6
1989-103 and OVER	70.9	65.3
1988-103 and OVER	66.1	57.8

Comments: The percentage of Manitoba production which indexed 103 or better increased by 4.8 percent for 1989. The national percentage increased by 7.5 percent.

TABLE 8

MANITOBA HOG CARCASS WEIGHT DISTRIBUTION — 1989

RANGE (KGS)	1989		1988	
	NO. HOGS	% CARCASSES	NO. HOGS	% CARCASSES
UNDER 60	6247	.34%	7,142	.4
60 - 64.9	23812	1.31%	20,392	1.2
65 - 69.9	118463	6.50%	99,188	5.9
70 - 74.9	377569	20.73%	330,490	19.5
75 - 79.9	614498	33.73%	552,379	32.6
80 - 84.9	443161	24.33%	429,170	25.3
85 - 89.9	170024	9.33%	179,288	10.6
90 - 94.9	48926	2.69%	53,820	3.2
95 - 99.9	13086	.72%	14,537	.9
100 UP	5946	.33%	6,480	.3

Comments: A slight increase of marketings in the under 60 to 69.9 kg. categories is attributed to a reflection of the 1989 market conditions. The increase of 1.39 percent in the core area of 70 to 84.9 kg, however, is seen as a sign of Manitoba producers' commitment to quality production.

TABLE 9

PER CAPITA CONSUMPTION OF MEAT IN CANADA, 1977-1989

(kilograms)	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989
Beef ¹	48.8	45.7	39.9	39.5	40.6	40.4	40.0	38.3	38.7	39.1	38.1	38.33	38.5
Pork ¹	25.1	25.9	29.0	31.3	30.1	27.8	28.6	27.8	28.4	27.6	27.9	29.31	30.6
Veal ¹	2.2	1.8	1.4	1.4	1.5	1.6	1.6	1.8	1.8	1.8	1.6	1.57	1.6(e)
Mutton & Lamb ¹	0.8	0.8	1.0	0.8	0.7	0.7	0.8	0.8	0.7	0.9	1.0	.85	.90(e)
Offal	1.6	1.9	1.3	1.8	1.3	1.2	1.4	1.4	1.6	1.7	1.5	.99	1(e)
Chicken & Fowl ²	16.5	17.2	18.7	18.4	18.3	18.6	18.8	19.7	21.0	21.4	21.7	24.15	23.9
Turkey ²	4.1	4.1	4.0	4.2	4.1	3.9	4.0	3.9	3.9	4.1	4.3	4.53	4.8

¹Carcass weight. ²Eviscerated weight. Source: Statistics Canada.

TABLE 10

MONTHLY REVIEW: AVERAGE WEIGHTS & INDEXES 1989

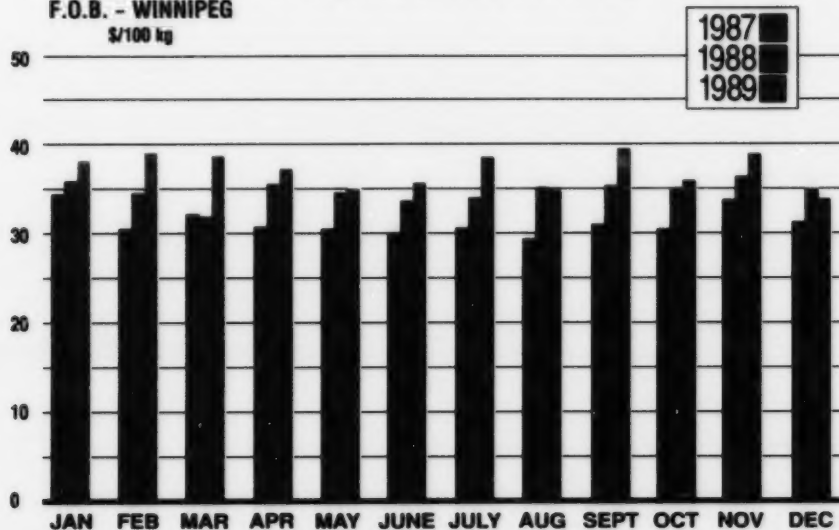
MONTH	AVERAGE MANITOBA INDEX	AVERAGE CARCASS WEIGHT (KGS)
JANUARY	104.3	79.5
FEBRUARY	105.0	78.8
MARCH	105.0	77.7
APRIL	105.3	78.4
MAY	105.3	77.4
JUNE	104.9	77.6
JULY	104.6	77.3
AUGUST	104.6	77.2
SEPTEMBER	104.8	77.7
OCTOBER	105.0	78.2
NOVEMBER	105.1	78.9
DECEMBER	105.5	78.4
AVERAGE FOR 12 MONTH PERIOD	105.0	78.1

* Average Index Excludes Ridglings and Lights

AVERAGE WEEKLY MANITOBA MARKETINGS

F.O.B. - WINNIPEG

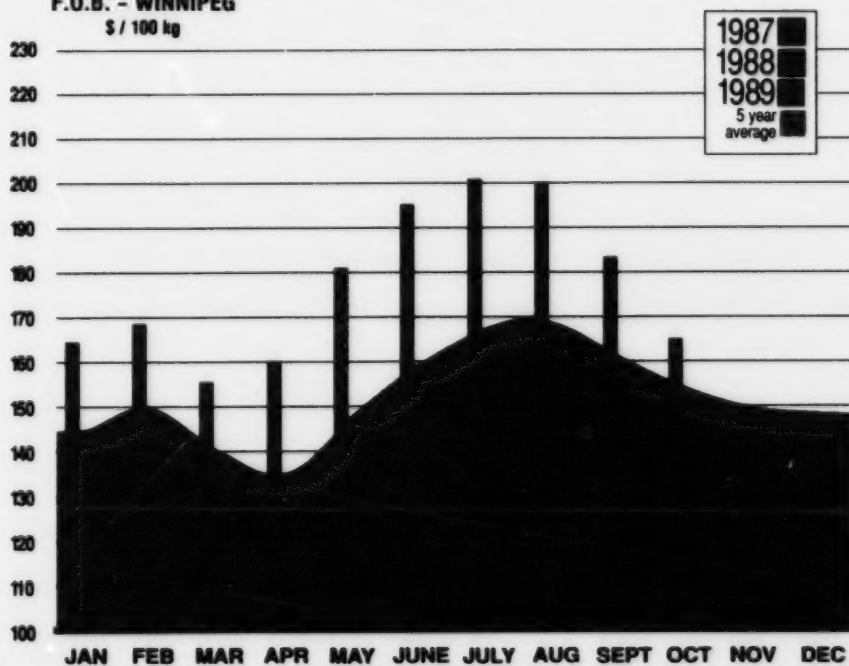
\$/100 kg



AVERAGE MONTHLY HOG PRICES

F.O.B. - WINNIPEG

\$ / 100 kg





CONGRATULATIONS TO:	ADDRESS	AVG. WT. INDEX	TYPE OF OPERATION
---------------------	---------	-------------------	----------------------

Winner 2001-2000			
1. • Peter W. Barkman	Ste. Anne	109.3335	Farrow to Finish
Winner 2000-1999			
2. Ron Froese	Grunthal	109.1492	Feeder Operation: Weanlings from Elite Feeders, Otterbourne
Winner 1999-1998			
3. Starlite Colony	Starbuck	108.9722	Farrow to Finish
4. • Howard & Carolyn Plett	Blumenort	108.7929	Farrow to Finish
5. • Parkview Colony	Riding Mountain	108.7024	Farrow to Finish
6. David E. Rolfe	Elgin	108.6625	Farrow to Finish
7. • Wellwood Colony	Dunrea	108.5151	Farrow to Finish
8. • Henry S. Penner	Stephenfield	108.5075	Farrow to Finish
9. Greenwald Colony	Beausejour	108.3600	Farrow to Finish
10. • Ernie Siemens	Morris	108.3316	Farrow to Finish
11. John K. Guthrie	Reston	108.2300	Feeder Operation: Weanlings from Lloyd McLeod, Miniota
12. • Richard Cousin	Swan Lake	108.2296	Feeder Operation: Weanlings from Randy Dowd, Glenboro
13. • Gordon L. Henderson	Whitemouth	108.0935	Feeder Operation: Weanlings from Howard Plett, Blumenort
14. • Sommerfeld Colony	High Bluff	108.0902	Farrow to Finish
15. • Whiteshell Colony	River Hills	108.0787	Farrow to Finish
16. • Larry Gluck	Lowe Farm	108.0572	Farrow to Finish
17. • Moray Farms	Steinbach	108.0442	Farrow to Finish
18. • Albert G. Doerksen	Arborg	107.9664	Farrow to Finish
19. • Alan M. Safiniuk	Balmoral	107.9152	Farrow to Finish
20. • Ray Timmerman	Treherne	107.9107	Farrow to Finish (Supplemented with Weanlings from Holmfield Colony, Killarney)

* New to Provincial Top 20

• 5 or more years in Provincial Top 20

1989 TOP 20 PROVINCIAL WINNERS



1989
TOP 20
DISTRICT
WINNERS

DISTRICT 1		ADDRESS	AVERAGE INDEX
1.	• David E. Rolfe	Elgin	108.6625
2.	Richard Cousin	Swan Lake	108.2296
3.	•• Clifford/Jean McCallum	Boissevain	107.7799
4.	• Fotheringham Farms	Reston	107.6718
5.	Trotter Farms Ltd.	Belmont	107.4360
6.	• Elsie and Dale Boyd	Killarney	107.3273
7.	Robert and Teresa Wiebe	Killarney	107.1282
8.	Matthew Smith	Treherne	106.9621
9.	Rita Rolfe	Elgin	106.8464
10.	Delmar Reimer	Cartwright	106.7838
11.	* Diane C. Cousin-Devos	Bruxelles	106.7837
12.	Daniel A. Sierens	Swan Lake	106.6033
13.	• Henry Comte	Notre Dame	106.5741
14.	Denton Barkman	Killarney	106.4874
15.	* Johnston Hog Enterprize	Killarney	106.4298
16.	* Elsie Hacault	Mariapolis	106.3786
17.	D.V. and A.M. Dekoninck	Winkler	106.3513
18.	Hubert and Cathy Rondeau	Swan Lake	106.3446
19.	• Edward Grift	Swan Lake	106.2533
20.	• David Day	Deloraine	106.2364

DISTRICT 2			
1.	•• John K. Guthrie	Reston	108.2300
2.	• Ray Timmerman	Treherne	107.9107
3.	•• Jake Peters	Wawanesa	107.9102
4.	•• J.P. Wiebe and Sons	MacGregor	107.8975
5.	Peter Harder	MacGregor	107.5281
6.	William Barkley	Virden	106.8378
7.	* Hogs Unlimited	Winnipeg	107.7996
8.	• Harry Plett	Wawanesa	106.5626
9.	• John and Pat Hipwell	Virden	106.5361
10.	• Marcel Charriere	Notre Dame	106.5344
11.	• Larry Fisher	Carberry	106.5101
12.	* Dennis A. Hanrieder	Holland	106.4943
13.	* William M. Doerksen	MacGregor	106.4614
14.	* C. and E. Farms	Sidney	106.3319
15.	Henry W.M. Gradidge	Wawanesa	106.2017
16.	Eddie Plett	Wawanesa	106.0295
17.	• Doug Wilson Farms	Reston	106.0111
18.	* Armand D. Tanguay	Austin	105.9528
19.	Brian Prince	MacGregor	105.9064
20.	• Stone Valley Farms Ltd.	Cromer	105.8928

* New to District Top 20

• 5 or more years in District Top 20 •• 10 or more years in District Top 20

DISTRICT 3		ADDRESS	AVERAGE INDEX
1.	• Linden Wohlgemuth	Riding Mountain	107.8803
2.	• Murray James Rempel	Birnie	107.8187
3.	• Allen Barkman	Birnie	107.6486
4.	Donald B. Peters	Oak River	107.5212
5.	• James L. Young	Arrow River	107.3732
6.	Rick Bartel	Riding Mountain	107.1024
7.	Shady Grove Farm	McCreary	106.9615
8.	* Bob Isaac	Birnie	106.7656
9.	** J.A. McDonald and Sons	Strathclair	106.7463
10.	* Ken and Anne Wardle	Arden	106.7378
11.	• Glen Wohlgemuth	Plumas	106.7095
12.	** Newton Farms	Neepawa	106.6928
13.	Harry F. Friesen	Birnie	106.6795
14.	• Alfred Isaac	Arden	106.6576
15.	• Ross Mathison	Decker	106.5961
16.	Weldon M. Fehr	Gladstone	106.4118
17.	• Stanley Yaskiw	Birtle	106.2741
18.	• Louis Barkman	Birnie	106.1527
19.	** Rogers Bros.	Arden	106.1320
20.	• Greg Isaac	Arden	106.0698

DISTRICT 4			
1.	• Darrel Wohlgemuth	Roblin	107.1694
2.	• Acey Brinkman	Grandview	106.9549
3.	* Wayne L. Reimer	Birch River	106.8897
4.	Armand Larocque	San Clara	106.5889
5.	Raymond B. Kroeker	Birch River	106.3523
6.	* Wilma D. Stewart	Gilbert Plains	106.1410
7.	*** Burtondale Farms	Swan River	106.0930
8.	** Leon F. Wohlgemuth	Durban	106.0467
9.	John Issac	Roblin	105.8205
10.	** Hans Immerkar	Swan River	105.6538
11.	• Jack Klekta	Bowsman	105.5258
12.	• Raymond Wohlgemuth	Swan River	105.4336
13.	** Highmoor Bros. Ltd.	Bowsman	105.3660
14.	James Colbert	Swan River	105.2534
15.	• Edwin Wiebe	Roblin	105.2277
16.	• Ronald Bernardin	Laurier	105.1970
17.	* Lionel W. Henderson	Minitonas	105.1486
18.	• Michael McIntosh	Bowsman	105.1120
19.	Ronald W. Medwid	Swan River	105.0723
20.	** Ken Wohlgemuth	Kenville	104.9931

* New to District Top 20

• 5 or more years in District Top 20 ** 10 or more years in District Top 20

*** 15 or more years in District Top 20

DISTRICT 5		ADDRESS	AVERAGE INDEX
1.	• Henry S. Penner	Stephenfield	108.5075
2.	Ernie Siemens	Morris	108.3316
3.	• Larry Gluck	Lowe Farm	108.0572
4.	Wilbert Friesen	Morris	107.8109
5.	Dewit Hog Farm Inc.	Carman	107.5856
6.	• J. Michael Dueck	Rosenort	107.5722
7.	Gladwin Penner	Morris	107.5487
8.	Piche Hog Farms Ltd.	Fannystelle	107.4453
9.	Kleen Lean Hog Farms	Morris	107.4383
10.	• Kenton Penner	Lowe Farm	107.4030
11.	• Melvin Penner	Rosenort	107.3324
12.	• Leslie Goossen	Rosenort	107.3267
13.	Brian S. and Evelyn J. Watt	Morris	107.3224
14.	Art Poppe	Carman	107.2984
15.	• Jerry W. Friesen	Altona	107.2581
16.	Cornelius Hiebert	Rosenort	107.2393
17.	Glenn Arthur Goossen	Morris	107.2317
18.	• Jake Riemer	Gretna	107.2206
19.	• Kenneth L. Dyck	Springstein	107.2163
20.	John P. Voth	Altona	107.2046

DISTRICT 6		ADDRESS	AVERAGE INDEX
1.	Albert G. Doerksen	Arborg	107.9664
2.	•• Alan M. Safiniuk	Balmoral	107.9152
3.	Calvern Farms Ltd.	Argyle	107.6799
4.	•• Melvin Barkman	Riverton	107.4100
5.	Harold Loewen	Fisher Branch	107.1774
6.	Richard H. Campbell	Teulon	107.1341
7.	Blue Diamond Farm Ltd.	Headingley	106.9526
8.	• Keith L. Campbell	Teulon	106.8821
9.	Newlife Feeds Hogland	Winnipeg	106.7550
10.	Red River Hog Farm	Gunton	106.6469
11.	Taylor Agro Ltd.	Marquette	106.1715
12.	•• Mulligan Hog Farms	Rosser	106.0407
13.	Wm. C. and Linda M. Meads	Moosehorn	105.9935
14.	• Leo Gudmundson	Arborg	105.8063
15.	• Gary and Gail Kazuk	Balmoral	105.7656
16.	• Glen Plett	Arborg	105.7594
17.	Edwin Ryden	Eriksdale	105.7150
18.	• Walter J. Stewart	Argyle	105.6107
19.	•• Reimer's Farm	Fisher Branch	105.5631
20.	• Gerard Saunders	Eriksdale	105.4477

* New to District Top 20

• 5 or more years in District Top 20 •• 10 or more years in District Top 20

DISTRICT 7		ADDRESS	AVERAGE INDEX
1.	• Peter W. Barkman	Ste. Anne	109.3335
2.	Ron Froese	Grunthal	109.1492
3.	Howard and Carolyn Plett	Blumenort	108.7929
4.	Gordon L. Henderson	Whitemouth	108.0935
5.	* Moray Farms	Steinbach	108.0442
6.	• Cornie and Evelyn Penner	Ste. Anne	107.8483
7.	Jacob G. Friesen	Arnaud	107.8368
8.	Bruno Leppelmann	Steinbach	107.7538
9.	•• John Loewen Farms Ltd.	Steinbach	107.7298
10.	Harvey Plett	Steinbach	107.5895
11.	• Roland D. Penner	Steinbach	107.5405
12.	Jerry Penner	Beausejour	107.4964
13.	* Peter F. Dueck	Steinbach	107.3982
14.	* Richard W. Kroeker	Landmark	107.3901
15.	Reimer and Brandt	Steinbach	107.3706
16.	* Ritchot Swine Breeders	Niverville	107.3377
17.	Peter S. Toews	Grunthal	107.3364
18.	Henry Harder	Kleefeld	107.3018
19.	* Dewayne Warkentin	Ste. Anne	107.2852
20.	* Pork Chop Hill Farm	Steinbach	107.2446

DISTRICT 8			
1.	Starlite Colony	Starbuck	108.9722
2.	Parkview Colony	Riding Mountain	108.7024
3.	••• Wellwood Colony	Dunrea	108.5151
4.	••• Greenwald Colony	Beausejour	108.3600
5.	•• Sommerfeld Colony	High Bluff	108.0902
6.	Whiteshell Colony	River Hills	108.0787
7.	Tri-Leaf Colony	Baldur	107.7110
8.	•• Spring Valley Colony	Brandon	107.7063
9.	• Fairholme Colony	Portage la Prairie	107.6806
10.	• Willow Creek Colony	Killarney	107.6344
11.	• Lakeside Colony	Headingley	107.5822
12.	Milltown Colony	Elie	107.5657
13.	•• James Valley Colony	Elie	107.4940
14.	Souris River Colony	Souris	107.4922
15.	* Cool Spring Colony	Minnedosa	107.4614
16.	* Grass River Colony	Glenella	107.3935
17.	Springfield Colony	Anola	107.3726
18.	Treesbank Colony	Wawanesa	107.3532
19.	•• Clearwater Colony	Balmoral	107.3455
20.	* Evergreen Colony	Somerset	107.1165

* New to District Top 20

• 5 or more years in District Top 20 •• 10 or more years in District Top 20

••• 15 or more years in District Top 20



Pork promotion in 1989 blended the Canada Pork programs and our own local promotions to reach an ever increasing number of consumers. At Canada Pork, a new manager, Margery Taylor, joined the organization in November. At the local level, Ruth Dyker, Home Economist, Promotions; Marlene McDonald, part-time Home Economist; Betty Hutchings, Promotions Assistant and Myra Emms, summer student, organized and delivered both national and local programs.

CANADA PORK REPORT 1989

PROGRAMS

Canada Pork is continuing to make inroads to increase consumption of pork in Canada by positively changing consumer attitudes through advertising, by improving the quality and variety of cuts at store level through retail merchandising efforts and by increasing the presence of pork on restaurant menus through foodservice promotion activity. Canada Pork works closely with the provincial promotion staff to develop programs that meet local needs. Provincial promotion staff then play a major role in carrying out the national programs in their province.

CONSUMER

Consumer advertising in the summer promoted Pork Steak via major consumer magazines and radio. The leanness and suitability for the BBQ benefits of Pork Steak were highlighted. During the November/December time frame, the Crown Roast advertisement was featured in Chatelaine, Macleans, Canadian Living, Homemakers and Readers Digest. The response to this advertising was excellent. It scored high in readership and close to 3,000 requests for the frills gift pack were received. This advertising showed consumers that pork is a good choice for special occasions and entertaining.

New consumer recipe brochure, "Quick and Tasty", featuring fast and easy to prepare recipes, was developed. It will be offered to consumers via the 1990 advertising programs.

RETAIL

Many strides were made at the retail level in 1989. After the summer of 1989 promotions, Pork Steak is finally becoming more widely available. The outstanding success was the fall Crown Roast promotion. Retailers were very enthusiastic about both the Canada Pork materials (frill gift packs, railcard) and the concept. On average, stores that typically sold 1-2 roasts per week increased weekly sales to 20-25 roasts. Many retailers featured Crown Roasts in their advertising and due to the sales success, will promote Crown Roasts throughout the year.

A new technical meat chart poster was developed with support from Agriculture Canada. This multi-use chart has been extremely well received by the retail trade, foodservice operators, educators and nutritionists. The chart highlights cuts of pork and cooking methods.

FOOD SERVICE

In the hotel and restaurant area, it was a very busy year. Advertising in trade magazines continued. A special 12 page supplement on Canada Pork was done by "Foodservice and Hospitality" magazine in June with many pages devoted to an editorial about pork and Canada Pork's efforts.

PORK
REPORT
1989

Eight new recipe cards featuring quantity recipes for institutions and catering were developed and distributed.

Many promotions were conducted with foodservice chains such as Sears and Wandlyn Hotels (East). The outstanding promotion of the year was with Canadian Airlines. This two month "Summertime Fun" promotion generated over 4,000 consumer responses requesting more information. Airlines traditionally did not serve pork. Canadian now offers pork dishes on its flights on a regular basis. They are very pleased with the positive response from their patrons and have increased their pork menu items by 20%.

PUBLIC RELATIONS

In the public relations area, Canada Pork, in partnership with the Canadian Federation of Chefs du Cuisine and Knorr Foods, initiated the Canadian Culinary Scholarship national competition for aspiring student chefs. This competition provided opportunities for each province to be involved locally in "cook off" competition activities. There were entries from across the country and the promotion has put Canada Pork and our fresh Canadian pork in the forefront among our chefs.

In an effort to reach market influencers, Canada Pork exhibited at the Canadian Home Economics Association and Canadian Dietetic Association conventions. Nutrition pamphlets were distributed and the dieticians and home economists were positively predisposed to suggesting to their clients, the importance of lean pork in Canadian diets.

TV TASK FORCE

The producer funding levy increased from 15¢ to 25¢ in the latter half of 1989. The objective was to include TV advertising as part of the consumer advertising program. A TV Task Force Committee was formed, composed of Canada Pork and its Directors, provincial promotion staff and two hired consultants. Their findings suggested that the additional 10¢ was insufficient for an effective program long term and additional funds would be needed for 1991 and more again for 1992. It was decided at the Director's August meeting that this was not the proper time to request additional funds. The additional 1989 funds were used to fund the very successful Crown Roast promotion instead.

FUTURE DIRECTIONS

The 1990 budget allows Canada Pork much more flexibility to expand current programs and begin new programs. Canada Pork will be initiating a communication program targeted to physicians, a media relations (press releases) effort and increased consumer advertising, primarily in print in 1990. These programs should be very helpful in stimulating more positive attitudes to pork and therefore increased pork usage. Television advertising will also be reassessed in 1990.



MANITOBA PORK PROMOTIONS REPORT 1989

RETAIL CAMPAIGNS

The summer retail promotion was expanded this year to include not only the pork steak campaign but also a ground pork and pork strip promotion. A selective distribution system, through personal visits to stores was utilized, offering POP materials on a more individualized basis. As well, a special poster was developed for Safeway stores at their request.

The Pork Steak National Incentive Award was won by Dedio's IGA in Gilbert Plains, Manitoba. Bert Neufeld and the Pork Promoter and Ruth Dyker, Home Economist, treated the community to an all-day barbecue and the staff to an evening barbecue party!

After 4 years of successful Crown Roast promotions in Manitoba, this product is now becoming a regular feature in meat departments! Sales continue to increase and frill package distribution is up by 30%. POP materials are now produced by Canada Pork. Crown Roast ads, in 4 color, were placed in Brandon and Winnipeg newspapers to enhance the promotion.

Presentations were made at meat seminars for Federated Coop, Food Fair, Codville and CFG (Canadian Federation of Independent Grocers). A special meat cutting seminar was held for retail and food service instructors at community colleges, featuring Alan Kerr, from George Brown College in Toronto.

FOOD SERVICE

Three major hotels continue to be enthusiastic supporters of our food service promotions. The Sheraton Winnipeg's "Light Pork" promotion sold 750 pork entrees during the January promotion and featured hampers of pork products from Kaufmann's retail outlet as door prizes. A barbecue theme, with gas barbecues as prizes, was highlighted in the Victoria Inn, Brandon and Holiday Inn, Downtown Winnipeg, promotions. Wonderful new entrees have been developed from these promotions, to become regular features. 'Blackened Pork Tenderloin, stuffed with vegetables, served with pineapple ginger sauce'; 'Teriyaki Pork Burgers, with Fruit Garnish'; 'Pork Steak with Blueberry and Wine Cream Sauce', are just a few of many new ideas.

A new venture this year was a dinner at Grapes Pier 7 for the Opimian Society of Manitoba. A Pork Steak and Ribs barbecue was the feature at their June wind-up for 100 members. The event was sold-out with a waiting list of over 20!

HEART SMART

The importance of convincing consumers of how pork fits into a healthy diet has never been greater. Responding to inaccuracies in newspaper articles and in consumer perceptions has become a large focus in our promotions.

The development of a recipe booklet which fit into the Heart and Stroke Foundation's guidelines was considered essential. We underestimated its popularity! "Heart Smart Choices with Manitoba Pork" was printed in January, and out-of-print 5 weeks later, with 10,000 copies distributed! An additional 5,000 copies were gone by October! Response was excellent from dietitians, hospitals, fitness groups, Heart Smart courses and the Heart Foundation.

TV AND RADIO

Monthly TV shows on CKY-TV and quarterly shows on CKND continue to provide an excellent vehicle for distributing recipes and information. Responses

reached an all-time high of 440 requests following the TV show on 'Heart Smart Choices with Manitoba Pork! Two — 2 minute radio tapes are prepared each month on pork marketing, nutrition, and trends for "Consumer Update" and aired on 5 rural radio stations.

NEWSLETTERS AND PRESS RELEASES

Three newsletters were sent out to over 300 dieticians, media, retail, food service and district home economists with information on nutrition, new guidelines for ground pork and our Crown Roast promotion. As well, a new newsletter, giving new government regulations, cutting, trimming and nutrition information, has been developed for approximately 300 meat managers.

A regular set of press releases has now been distributed to Manitoba Agriculture Home Economists for their use in local newspapers, and to give them up-to-date information for their new "Take Home Manitoba Food Products" program.

DISPLAYS AND DEMONSTRATIONS

Displays and demonstrations reached thousands of consumers and professionals throughout the year. In 1989 these included: informational displays at the Winnipeg Women in Action Conference, Morris Ag Expo and Hog Days in Brandon; chef cooking demonstrations at Eaton's; food sampling 'Heart Smart Recipes' at Polo Park; appetizers in Steinbach and pizzas in St. Vital, along with professional and educational nutrition booths for the SAG Teachers' Conference and the National Canadian Home Economists Conference in Winnipeg. Consumer talks on nutrition, new products and cooking methods continue to interest women's groups.

MEAT MONTH

By popular demand, for the second year, Helen Bishop McDonald was our featured speaker at a public meeting at the Reh-Fit Center. 260 people were on hand for her dynamic presentation, "Life in the Fast Lane". The reception, sponsored by Manitoba Pork, was catered by the Sheraton and featured 600 pork hors d'oeuvres. Several media interviews, including CBC Questionnaire, CBC Country Calendar, CKY and CKND — TV and thirteen — 30 second 'blurbs' on meat, sent to 23 radio stations, helped spread the Meat Month message.

RESEARCH

Research was conducted with Agriculture Canada and the University of Manitoba on consumer acceptability of lean lines of pork.

Practicum student, Sandra Huston, researched background information and conducted recipe tests on microwave cooking of pork.

Consumer pre-tests were introduced via women's groups to assess consumer knowledge of pork re nutrition and cooking.

Consumer inquiries continue to provide valuable information re purchasing, handling, cooking and nutrition knowledge of the public.

PORK PROMOTER

As well as barbecuing tons of pork for community groups, Bert Neufeld and the Pork Promoter also served up delicious teriyaki pork steaks and ribs for the staff of Dedio's IGA (winner of the national pork steak incentive award) and cooked up 100's of pounds of special spareribs for the Labatt's media Rib and Beer Contest.

**MANITOBA PORK EST.
FINANCIAL STATEMENTS**
DECEMBER 31, 1989

Ernst & Young

Chartered Accountants
2700 Commodity Exchange Tower
360 Main Street
Winnipeg, Canada R3C 4G9
Telephone (204) 947-6519
Fax (204) 956-0138

AUDITORS' REPORT

To the Members of
Manitoba Pork Est.:

We have examined the balance sheet of Manitoba Pork Est. as at December 31, 1989 and the statements of revenue and expenditure, reserve for working capital and an offset to fixed asset investment, market development, pork promotion and research revenue, expenses and surplus, unallocated retained revenue, and cash flows for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the board as at December 31, 1989 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Ernst & Young

Winnipeg, Canada,
February 7, 1990.

Chartered Accountants.

MANITOBA PORK EST.
(Incorporated as a producer board under the laws of Manitoba)

BALANCE SHEET

DECEMBER 31, 1989

	<u>1989</u>	<u>1988</u>
<u>A S S E T S</u>		
Current:		
Cash in bank	\$ 267,606	\$ 408,615
Deposit receipts - interest bearing	8,587,844	7,300,000
Accounts receivable	1,864,608	1,150,534
Prepaid expenses	<u>77,494</u>	<u>6,500</u>
Total current assets	10,797,552	8,865,649
Fixed assets (note 2)	<u>2,273,095</u>	<u>1,790,922</u>
	<u>\$13,070,647</u>	<u>\$10,656,571</u>
<u>L I A B I L I T I E S</u>		
Current:		
Producer payables and outstanding cheques	\$ 5,367,154	\$ 4,635,192
Accounts payable and accrued liabilities	<u>2,184,516</u>	<u>922,750</u>
Total current liabilities	<u>7,551,670</u>	<u>5,557,942</u>
Contingency and commitments (note 6)		
Members' equity:		
Reserve for working capital and an offset to fixed asset investment	2,473,095	1,990,922
Surplus to be used for market development, pork promotion and research	666,075	559,049
Unallocated retained revenue	<u>2,379,807</u>	<u>2,548,658</u>
	<u>5,518,977</u>	<u>5,098,629</u>
	<u>\$13,070,647</u>	<u>\$10,656,571</u>

On behalf of the Board:

Director

Director

B. Haag
Weldon A. Newton

(see accompanying notes)

MANITOBA PORK EST.

STATEMENT OF RESERVE FOR WORKING CAPITAL AND AN
OFFSET TO FIXED ASSET INVESTMENT

	<u>YEAR ENDED DECEMBER 31, 1989</u>	<u>1989</u>	<u>1988</u>
Balance, beginning of year		\$1,990,922	\$2,041,133
Transfer from (to) unallocated retained revenue		<u>482,173</u>	<u>(50,211)</u>
Balance, end of year		<u>\$2,473,095</u>	<u>\$1,990,922</u>

STATEMENT OF MARKET DEVELOPMENT, PORK PROMOTION
AND RESEARCH REVENUE, EXPENSES AND SURPLUS

	<u>YEAR ENDED DECEMBER 31, 1989</u>	<u>1989</u>	<u>1988</u>
Revenue:			
Portion of fees allocated		\$ 400,000	\$ 200,000
Special promotion levy		305,254	298,980
Interest (note 6)		<u>61,120</u>	<u>78,299</u>
		<u>766,374</u>	<u>577,279</u>
Expenses:			
Live hog exports (note 6)		(108,021)	99,467
Market development		23,795	85,057
Industry association		71,697	56,721
Pork promotion - Manitoba (includes depreciation of \$3,514; 1988 - \$5,020)		177,580	163,446
Canadian Pork Council Special Trade Action Assessment		57,818	7,960
Research		104,913	80,500
Canada Pork assessment		<u>331,566</u>	<u>238,805</u>
		<u>659,348</u>	<u>731,956</u>
Excess (deficiency) of revenue over expenses		107,026	(154,677)
Surplus to be used for market development, pork promotion and research -			
Balance, beginning of year		<u>559,049</u>	<u>713,726</u>
Balance, end of year		<u>\$ 666,075</u>	<u>\$ 559,049</u>

STATEMENT OF UNALLOCATED RETAINED REVENUE

	<u>YEAR ENDED DECEMBER 31, 1989</u>	<u>1989</u>	<u>1988</u>
Balance, beginning of year		\$2,548,658	\$2,137,687
Excess of revenue over expenditure from operations for year		<u>313,322</u>	<u>360,760</u>
		2,861,980	2,498,447
Add transfer from (to) reserve for working capital and an offset to fixed asset investment		<u>(482,173)</u>	<u>50,211</u>
Balance, end of year		<u>\$2,379,807</u>	<u>\$2,548,658</u>

(see accompanying notes)

MANITOBA PORK EST.
STATEMENT OF REVENUE AND EXPENDITURE
YEAR ENDED DECEMBER 31, 1989

	<u>1989</u>	<u>1988</u>
Revenue:		
Gross fees	\$2,343,158	\$2,308,543
Deduct -		
Portion applicable to market development, pork promotion and research	(400,000)	(200,000)
Special promotion levy	<u>(305,254)</u>	<u>(298,980)</u>
	1,637,904	1,809,563
Interest	837,334	571,848
Other	<u>71,240</u>	<u>72,142</u>
	<u>2,546,478</u>	<u>2,453,553</u>
Expenditure:		
Administrative and selling (schedule)	2,097,939	1,991,631
Depreciation	<u>135,217</u>	<u>101,162</u>
	<u>2,233,156</u>	<u>2,092,793</u>
Excess of revenue over expenditure from operations for year	<u>\$ 313,322</u>	<u>\$ 360,760</u>

(see accompanying notes)

MANITOBA PORK EST.

STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 1989

	<u>1989</u>	<u>1988</u>
Cash provided by (used in) operating activities:		
Excess of revenue over expenditure from operations for year	\$ 313,322	\$ 360,760
Add charge to operations not requiring a current cash payment -		
Depreciation	138,731	106,182
Market development, pork promotion and research excess (deficiency) of revenue over expenses	107,026	(154,677)
Proceeds on sale of hogs	204,745,676	198,520,616
Distribution on settlements, including board fees	(204,745,676)	(198,520,616)
	559,079	312,265
Net changes in non-cash working capital balances related to operations (note 5)	476,698	(240,283)
Cash provided by operating activities	1,035,777	71,982
Cash used in investment activities:		
Purchase of fixed assets	(620,904)	(55,971)
Increase in cash during the year	414,873	16,011
Cash position at beginning of year	3,073,423	3,057,412
Cash position at end of year	\$ 3,488,296	\$ 3,073,423
Cash consists of the following:		
Cash in bank	\$ 267,606	\$ 408,615
Add deposit receipts	8,587,844	7,300,000
Deduct producer payables and outstanding cheques	(5,367,154)	(4,635,192)
	\$ 3,488,296	\$ 3,073,423

(see accompanying notes)

MANITOBA PORK EST.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 1989

1. Significant accounting policies

(a) Nature of the board

The board was established to carry out the function of marketing hogs on behalf of the hog producers of Manitoba, including enhancing the market through market development, pork promotion and research. Accordingly, the financial statements have been prepared to reflect the operations and the activities in market development. The following is a description of how the revenue and expenses have been accounted for:

i) Revenues, expenditures and unallocated retained revenue

The board annually determines the amount of gross revenue from fees which is to be allocated for market development, pork promotion and research. The Statement of Revenue and Expenditure includes all revenues less the portion allocated to market development, pork promotion and research, and all expenses applicable to the day to day operations of the board. The excess of revenue over expenditure from operations is credited to the unallocated retained revenue.

ii) Market development, pork promotion and research

The board maintains a separate surplus account to be used for market development, pork promotion and research. The Statement of Market Development, Pork Promotion and Research Revenue, Expenses and Surplus reflects the revenue which has been allocated for this purpose; the expenses for market development, pork promotion and research including the net costs of certain market development costs of hog export; the excess of revenue over expenses; and the surplus at the end of the year.

iii) Reserve for working capital and an offset to fixed asset investment

The board maintains the reserve to indicate the amount of members' equity which has been invested in net fixed assets plus an amount required for ongoing working capital.

(b) Revenue recognition

Revenue from fee income is recognized at the time of settlement with producers for sales made on their behalf by the board.

(c) Fixed assets

Land, building, furniture and equipment are recorded at cost. Normal maintenance and repair expenditures are expensed as incurred.

Depreciation is provided on the basis and at the rates set out below:

<u>Asset</u>	<u>Basis</u>	<u>Rates</u>
Building	Straight line	2.5 - 25%
Furniture and equipment	Diminishing balance	20 - 30%

2. Fixed assets

	1989		1988	
	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Land	\$ 432,145		\$ 432,145	\$ 431,145
Building	2,400,594	\$ 722,892	1,677,702	1,233,924
Furniture and equipment	454,968	291,720	163,248	125,853
	<u>\$3,287,707</u>	<u>\$1,014,612</u>	<u>\$2,273,095</u>	<u>\$1,790,922</u>

3. Lease commitment

The board is renting the Brandon office and yard under a lease expiring at the end of 1990 which requires a minimum annual rental of approximately \$46,000.

4. Board members' remuneration and disbursements

	1989			1988
	<u>Per Diem</u>	<u>Expense</u>	<u>Total</u>	<u>Total</u>
District 1	\$ 8,005	\$ 7,400	\$ 15,405	\$ 10,843
District 2	4,903	3,316	8,219	11,988
District 3 (Vice-Chairman)	13,600	17,089	30,689	18,388
District 4	6,245	6,837	13,082	17,596
District 5	5,409	4,589	9,998	11,443
District 6 (Executive Committee)	7,830	10,591	18,421	16,920
District 7 (Chairman)	16,528	10,837	27,365	22,403
District 8	4,105	2,465	6,570	4,564
Miscellaneous charges		2,012	2,012	846
Gross remuneration and disbursements to Board Members	66,625	65,136	131,761	114,991
Less amount charged to market development	3,943	13,775	17,718	14,867
Amount charged to operations	<u>\$62,682</u>	<u>\$51,361</u>	<u>\$114,043</u>	<u>\$100,124</u>

The board consists of seven Directors and one Chairman. The Chairman's per diem is a combination of a \$10,000 annual salary plus a per diem of \$140 per day (\$5,000 annual salary plus a per diem of \$120 per day prior to August 15, 1989). Directors' per diem rates are based on \$130 per day (per diem of \$110 per day prior to August 15, 1989).

As of August 15, 1989, the Vice-Chairman receives an annual salary of \$3,500 and the Executive Member receives an annual salary of \$1,500 in addition to their per diem rates.

The Executive Committee is comprised of the Chairman, Vice-Chairman and one Director.

The charge to market development consists of three Board Members' per diems and expenses incurred as part of market development activities.

5. Net changes in non-cash working capital balances related to operations

	1989	1988
Increase in accounts receivable	\$ (714,074)	\$(346,591)
Decrease (increase) in prepaid expenses	(70,994)	14,000
Increase in accounts payable	<u>1,261,766</u>	<u>92,308</u>
Net changes in non-cash working capital balances related to operations	<u>\$ 476,698</u>	<u>\$(240,283)</u>

6. Contingency and commitments

a) Guarantee

The board has guaranteed a line of credit for Springhill Farms Limited up to a maximum of six million dollars. The line of credit between Springhill Farms Limited and its bank has Springhill Farms Limited's accounts receivable and inventory pledged as collateral security and is being administered in accordance with a specific agreement.

b) Countervail duty on exports to the United States (U.S.)

i) Live hogs

Live hogs exported to the U.S. by the board are subject to an initial deposit rate duty which is subject to review under various trade review mechanisms. As at year end, the financial statements reflect an accrual or payment for all initial duties (as set from time to time) on live hog exports plus an amount totalling approximately \$150,000. However, since the final review has not been completed for exports for the period April 1, 1986 to December 31, 1989, duties on exports during this period may be subject to adjustment. The amount of adjustment, if any, cannot be reasonably estimated. These amounts will be recorded in the financial statements at the time they are finalized.

ii) Fresh, chilled and frozen pork

Effective September 13, 1989 the U.S. issued a countervailing duty order on fresh, chilled and frozen pork. The duty, which is currently set at an initial deposit rate of \$.08 per kilogram is payable by the party exporting the pork to the U.S. This rate is subject to review and the final rate could be higher or lower. The Canadian government and Canadian pork industry are pursuing several actions which, if successful, will overturn the U.S. ruling or reduce its impact.

In an attempt to ensure that the market price for hogs is not adversely affected by the uncertainty of the duty, producers have agreed to assume the burden of the countervail duty over the initial deposit rate for the period September 13, 1989 to March 31, 1990. Accordingly, the board commenced collection of a levy of \$2.25 per hog on October 23, 1989. The proceeds of this levy (totalling approximately \$785,000 at December 31, 1989) are included in accounts payable and accrued liabilities.

c) Other

The board is responsible to direct interest earned on withholdings it collects on behalf of The National Tripartite Stabilization Plan towards research. During the year \$61,120 (1988 - \$78,299) was committed.

MANITOBA PORK EST.

SCHEDULE OF ADMINISTRATIVE AND SELLING EXPENDITURE

YEAR ENDED DECEMBER 31, 1989

	<u>1989</u>	<u>1988</u>
Awards	\$ 12,617	\$ 10,186
Board members' remuneration, travelling and miscellaneous expenses (note 4)	114,043	100,124
Claims and adjustments	21,405	16,034
Data processing	82,013	77,494
District meetings	96,619	107,942
Employee benefits	89,256	77,334
Insurance	67,701	75,866
Light, heat and water	154,847	160,535
Maintenance and repairs	40,766	43,729
Memberships and subscriptions	6,900	6,073
Microfilming and xeroxing	8,018	6,241
Miscellaneous	18,822	16,946
Newsletter and hog journal	25,656	26,655
Office rental - Brandon	7,254	7,254
Office supplies and stationery	39,958	32,483
Postage	51,766	47,751
Professional fees	44,984	33,107
Provincial Health and Education Tax	21,533	19,541
Realty and business taxes	93,078	89,805
Salaries	867,710	795,731
Stockyard rentals and expenses	130,796	131,723
Telephone and telegraph, net	77,811	85,182
Travel expenses	24,386	17,196
Truck wash		6,699
Total administrative and selling expenditure	<u>\$2,097,939</u>	<u>\$1,991,631</u>

(see accompanying notes)